

EXHIBIT I

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-K

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2018

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number: 000-18730

DarkPulse, Inc.
(Exact Name of Registrant as Specified in its Charter)

Delaware

(State of other jurisdiction of incorporation or organization)

87-0472109

(I.R.S. Employer Identification No.)

350 5th Ave

59th Floor

New York, NY

(Address of Principal Executive Offices)

10018

(Zip Code)

(800) 436-1436

(Registrant's Telephone Number, including Area Code)

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT: None

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT: Common Stock, par value \$.01 per share

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically, every Interactive Data File pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one)

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company, as defined in Rule 12b-2 of the Exchange Act. Yes No

The aggregate market value of the registrant's common stock owned by non-affiliates, based on the closing price of \$0.0035 as quoted on OTC Markets, on April 12, 2019, is \$357,592. For purposes of this computation all officers, directors and 5% beneficial owners of the registrant are deemed to be affiliates. Such determination should not be deemed an admission that such officers, directors and beneficial owners are, in fact, affiliates of the registrant. The number of common shares held by non-affiliates of the Registrant totaled 102,168,914.

The number of shares of the registrant's common stock, \$0.01 par value per share, outstanding as of April 12, 2019, was 102,168,914.

Transitional Small Business Disclosure Format (Check one): Yes No

Check whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

TABLE OF CONTENTS

| <u>Item Number and Caption</u> | | <u>Page</u> |
|---|-----------------|-------------|
| | <u>PART I</u> | |
| Item 1. <u>Business</u> | | 1 |
| Item 1A. <u>Risk Factors</u> | | 6 |
| Item 1B. <u>Unresolved Staff Comments</u> | | 14 |
| Item 2. <u>Properties</u> | | 14 |
| Item 3. <u>Legal Proceedings</u> | | 14 |
| Item 4. <u>Mine Safety Disclosures</u> | | 14 |
| | <u>PART II</u> | |
| Item 5. <u>Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities</u> | | 15 |
| Item 6 <u>Selected Financial Data</u> | | 17 |
| Item 7. <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u> | | 17 |
| Item 7A. <u>Quantitative and Qualitative Disclosures About Market Risk</u> | | 19 |
| Item 8. <u>Financial Statements and Supplementary Data</u> | | 19 |
| Item 9. <u>Changes in and Disagreements with Accountants on Accounting and Financial Disclosure</u> | | 19 |
| Item 9A. <u>Controls and Procedures</u> | | 19 |
| Item 9B. <u>Other Information</u> | | 21 |
| | <u>PART III</u> | |
| Item 10. <u>Directors, Executive Officers and Corporate Governance</u> | | 22 |
| Item 11. <u>Executive Compensation</u> | | 23 |
| Item 12. <u>Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters</u> | | 24 |
| Item 13. <u>Certain Relationships and Related Transactions, and Director Independence</u> | | 24 |
| Item 14. <u>Principal Accountant Fees and Services</u> | | 25 |
| Item 15. <u>Exhibits and Financial Statement Schedules</u> | | 26 |
| <u>Signatures</u> | | 29 |

PART II**ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES**

Our common stock is traded on the OTC Markets under the trading symbol DPLS. The Company has 3 billion authorized common shares.

The following table sets forth the high and low bid of the Company's Common Stock for each quarter within the past two years. The information below was provided from <http://www.nasdaq.com/> and reflects the highest and lowest closing prices during each quarter.

2018:

| | High | Low |
|----------------|-------------|------------|
| First Quarter | \$ 0.0520 | \$ 0.0040 |
| Second Quarter | \$ 0.1720 | \$ 0.0300 |
| Third Quarter | \$ 0.2400 | \$ 0.0700 |
| Fourth Quarter | \$ 0.0900 | \$ 0.0190 |

2017:

| | High | Low |
|----------------|-------------|------------|
| First Quarter | \$ 0.0280 | \$ 0.0135 |
| Second Quarter | \$ 0.0880 | \$ 0.0185 |
| Third Quarter | \$ 0.0300 | \$ 0.0058 |
| Fourth Quarter | \$ 0.0085 | \$ 0.0040 |

The number of shareholders of record of the Company's common stock as of April 15, 2019 was approximately 931.

The Company has not paid any cash dividends to date and does not anticipate paying cash dividends in the foreseeable future. It is the present intention of management to utilize any available funds for the development of the Company's business.

Recent Sales of Unregistered Securities.

On November 17, 2017, the Company issued 500,000 shares of restricted common stock at \$0.02 per share to an investor for cash proceeds to the Company of \$10,000.

On July 17, 2018, the Company entered into a securities purchase agreement with Carebourn Capital L.P., issuing a convertible promissory note in the aggregate principal amount of \$189,750. The note may be converted into the Company's common stock at a conversion price equal to 60% of the average of the three lowest trading prices of the Company's common stock during the 20 prior trading days.

On July 27, 2018, The Company entered into a securities purchase agreement with Carebourn, issuing a convertible promissory note in the aggregate principal amount of \$201,000. The note may be converted into the Company's common stock at a conversion price equal to 60% of the average of the three lowest trading prices of the Company's common stock during the 20 prior trading days.

On August 20, 2018, the Company entered into a securities purchase agreement with More Capital LLC, issuing a convertible promissory note in the aggregate principal amount of \$97,000. The note may be converted into common shares of the Company's common stock at a conversion price equal to 60% of the average of the three lowest trading prices of the Company's common stock during the 20 prior trading days.

On September 24, 2018, the Company entered into a securities purchase agreement with Auctus Fund, LLC, issuing a convertible promissory note in the aggregate principal amount of \$100,000. The note may be converted into common shares of the Company's common stock at a conversion price equal to 70% of the lowest trading price of the Company's common stock during the 20 prior trading days.

On September 25, 2018, the Company entered into a securities purchase agreement with EMA Financial, LLC, issuing a convertible promissory note in the aggregate principal amount of \$100,000. The note may be converted into common shares of the Company's common stock at a conversion price equal to the lower of current market price, \$0.25, or 70% of the lowest trading price of the Company's common stock during the 20 prior trading days.

On September 24, 2018, the Company entered into a securities purchase agreement with FirstFire Global Opportunities Fund LLC, issuing a convertible promissory note in the aggregate principal amount of \$247,500. The note may be converted into common shares of the Company's common stock at a conversion price equal to the lower of \$0.25, or 70% of the lowest trading price of the Company's common stock during the 20 prior trading days.

On January 10, 2019, the Company entered into a Securities Purchase Agreement with GS Capital Partners, LLC, issuing a convertible redeemable note in the principal amount of \$65,000. The note may be converted into common shares of the Company's common stock at a conversion price equal to the lower of \$0.25, or 70% of the lowest trading price of the Company's common stock during the 20 prior trading days.

On February 12, 2019, the Company entered into a securities purchase agreement with Crown Bridge Partners, LLC, issuing a convertible promissory note in the aggregate principal amount of up to \$35,000. The note may be converted into common shares of the Company's common stock at a conversion price equal to 70% of the lowest trading price of the Company's common stock during the 20 prior trading days.

Compliance with Section 16(a) of the Securities Exchange Act of 1934

Section 16(a) of the Exchange Act requires the Company's directors, executive officers, and persons who own more than 10% of a registered class of the Company's equity securities, to file with the Commission reports regarding initial ownership and changes in ownership. Directors, executive officers, and greater than 10% stockholders are required by the Commission to furnish the Company with copies of all Section 16(a) forms they file.

The Company is not aware of any common stock transactions during the year ended December 31, 2018 for which either Forms 4 or Forms 5 were required to be filed.

Equity Compensation Plan Information

The following table shows information with respect to each equity compensation plan under which our common stock is authorized for issuance through December 31, 2018.

EQUITY COMPENSATION PLAN INFORMATION

| Plan category | Number of securities to be issued upon exercise of outstanding options, warrants and rights (a) | Weighted average exercise price of outstanding options, warrants and rights (b) | Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c) |
|---|--|--|--|
| Equity compensation plans approved by security holders | — | — | 20,000,000 |
| Total | — | — | 20,000,000 |